

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON EDUCATION**

**Call to Order:** By **CHAIRMAN JOAN ANDERSEN**, on January 8, 2003 at 3:00 P.M., in Room 137 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joan Andersen, Chairman (R)  
Rep. Kathleen Galvin-Halcro, Vice Chairman (D)  
Rep. Larry Lehman, Vice Chairman (R)  
Rep. Norman Ballantyne (D)  
Rep. Norma Bixby (D)  
Rep. Gary Branae (D)  
Rep. Nancy Fritz (D)  
Rep. Carol Gibson (D)  
Rep. Verdell Jackson (R)  
Rep. Bob Lake (R)  
Rep. Bob Lawson (R)  
Rep. Joe McKenney (R)  
Rep. Clarice Schrumpf (R)  
Rep. Pat Wagman (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Eddye McClure, Legislative Branch  
Pam Schindler, Committee Secretary  
Mari Prewett, Minutes

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

The time stamp for these minutes appears at the beginning of the content it refers to.

##### **Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 23, 12/19/2002; HB 24, HB 60, HB 107, 12/30/2002

Executive Action: None

(Tape : 1; Side : A; Approx. Time Counter 1.7)

**REP. JOAN ANDERSEN, Chairman**, opened the Hearing indicating the order in which the bills would be heard.

**REP. ANDERSEN**, made a couple of announcements to the committee and indicated that had left a Daily Announcement Form which they will be following as they go through Committee Hearings, a School Administrator's Directory provided by Darrell Rud along with a letter from Darrell.

**EXHIBIT (edh03a01)**

**EXHIBIT (edh03a02)**

**EXHIBIT (edh03a03)**

**REP. ANDERSEN** mentioned that in case of an emergency and evacuation was required there are doors close to the end of the hallway that could be used to exit the building quickly.

#### HEARING ON HB 107

**Sponsor:** REPRESENTATIVE ALAN OLSON, HD 8, ROUNDUP

**Opponents:** None

**Opening Statement by Sponsor:**

(Tape : 1; Side : A; Approx. Counter : 4.5)

**REP. ALAN OLSON, HD 8, ROUNDUP** stated he is carrying HB 107 at the request of the Governor. There was a bill similar to this one last session, it passed out of this committee, it passed out of the House, it passed out of House Appropriations and when it got to the Senate it hit a snag. This bill would allow school districts in areas who have a hard time recruiting teachers, either because of the rural setting or areas where there is a shortage in a curricular area; math, science and music to do so. What HB 107 would do, is that after a student graduates from the University System and goes to work in an area of shortage or demand they would be ineligible to receive up to \$3,000 per year for up to four years in loan repayment. **REP. OLSON**, stated here is no appropriation in this bill, this money will only be available if there is money which can be appropriated. **REP. LAWSON** and **REP. OLSON** are working on two additional bills that will help generate the revenue to fund this program.

**Proponents' Testimony:**

**Carl Ohs, Lieutenant Governor, State of Montana,** stated HB 107 will have great impact on education and deserves the committees support. This proposal appeared in the Governor's budget and has the complete support of the administration as part of the Governor's education package. A recent report by the Board of Public Education states that Montana is in the midst of a tremendous teacher shortage, a shortage in professional education occupations is not just a concern it is crucial. **Lt. Governor Ohs,** stated that what makes this shortage frustrating is that Montana schools of education are not graduating fewer students, there are many undergraduates with aspiration for becoming teachers, the problem lies in what happens to the students once they earn their degree. Because Montana's college and universities produce such fine teachers they are highly sought after to move to other states and begin their careers. This is where HB 107 will come in. The loan repayment program for new teachers will specifically address the critical shortage in areas, by accepting a position in a curriculum such as math, science or music a teacher can earn up to \$12,000 over a four year period. There are also provisions in the bill to address the severe shortage in Montana's rural schools. The future of the State lives and learns in every school across Montana. That is why this bill is so important. Lt. Governor stated that the Martz administration is committed to finding solutions to the challenges facing the schools and the difficult budget times. HB 107 is one of those ideas that will keep education strong well into the future.

**Linda McCulloch, State Superintendent of Public Instruction.** Ms McCulloch spoke in support of this bill. See attached statement.

**EXHIBIT (edh03a04)**

**Steve Meloy, Executive Secretary for the Montana Board of Public Education.** This is the board that actually commissioned the Who Will Teach the Children Study that showed an existing and growing shortage of teachers in the State of Montana. **Mr. Meloy** lends support to HB 107 and thanks the Governor's office for proposing this concept to Representative Olson on behalf of the Board of Public Education. **Mr. Meloy** asked the committee for their concurrence with HB 107.

**Eric Burke, MEA/MFT,** stated they were looking for 100% approval for this bill. He further stated that there would be a couple of amendments which Rep. Olson had approved. **Mr. Burke** further stated he hoped that the entire body would embrace this piece of legislation because it is something that will help schools to get

qualified educators in front of classrooms. This is the number one goal. Mr. Burke stated that this bill is designed to help those teachers, not only the new teachers, but young teachers who have moved into a district in the last couple of years and still have remaining loan payments to pay off this bill would address those people as well. This is one of the improvements with this bill is that it will be offered to those teachers already in the communities who have agreed to teach and have loan payments to still be paid off. Montana has it's work cut out because teachers are leaving the state because of higher paying jobs, bonus and loan repayment capabilities. The reason that the most of the graduates leave the state for jobs is the financial aspect and the student loan debt. **Mr. Burke** stated that MEA/MFT stands in strong support of this bill.

**Jack Copps, Executive Director for the Montana Quality Education Coalition**, stated this Coalition includes 85 school districts in the State that currently enroll a majority of students in K-12 education. The purpose of the Coalition is to ensure that the youngest citizens of this state continue to have access to quality education. This bill will provide assistance for loan repayments and provide tools that are necessary to recruit teachers of high quality to stay in the state. **Mr. Copps** stated Montana is losing it's best and brightest teaching prospects to other states because Montana's wages are not competitive and recruitment incentives are nonexistent. HB 107 provides an incentive to new graduates to stay in the state. Mr. Copps provided a Proposed Amendment to HB 107 see attached Exhibit 5.

**EXHIBIT (edh03a05)**

**Arlene Hannawalt, Director, Montana Guaranteed Student Loan Programs**, spoke in support of HB 107. See attached statement.

**EXHIBIT (edh03a06)**

{Tape : 1' Side : B; Approx. Counter 0.0}

**Will Hammerquist, Associated Students Montana State University**, stated that he strongly supported HB 107. See attached.

**EXHIBIT (edh03a07)**

**Cathy Conover, representing Montana State University**, stated MSU had a survey which was conducted with teaching graduates from their College of Education in 2002, of the 97 graduating seniors at MSU a majority stated they would be leaving the state. The reason these graduates gave for leaving was that the salary levels were inadequate in the State of Montana. **Ms. Conover**,

stated that the average debt for these students was over \$20,000. **Ms. Conover** urged the Committee to support this bill.

**Tom Figarelle, Forward Montana**, stated Forward Montana's guiding principals are economic development and betterment of educational programs. **Mr. Figarelle**, stated HB 107 does just that. Forward Montana is attempting to keep as many professions within the State of Montana as is possible. He went on to say that Montana has great teacher education programs. We need to keep these teachers in the state especially within the rural areas. **Mr. Figarelle** urged the Committee to vote for HB 107.

**Sarah Cobler, Associated Students of the University of Montana.** **Ms. Cobler** stated that she was in support of the bill. See attached.

**EXHIBIT (edh03a08)**

**John Swan, President of the Associated Students of the University of Montana**, asked the Committee to not only send a message to their constituents across the state that education is important but to also send the message to new teachers that they can do what they do so well in Montana.

**Christine Conselyea, a citizen of Helena attending the University of Montana a Senior majoring in Music Education**, stated she believes that HB 107 is a great incentive to keep people like herself and her colleagues in Montana.

**Bob Vogel, Director of Governmental Relations with the Montana School Boards Association**, stated one of the biggest problems for many schools today is recruitment and retention of high quality teachers and administrators. Montana graduates are heavily recruited and can expect starting salaries in excess of \$30,000 plus signing bonus, loan repayments, moving expenses and more if they go out of state. **Mr. Vogel** stated that there is a need to find a way to compete with other states and that HB 107 is one of the tools that will help stem the tide of graduates leaving the state.

**Dave Puyear, Montana Rural Education Association**, stated MREA represents a variety of class C and B schools and the independent elementary schools across the state. HB 107 represents a major priority of MREA and many other educational organizations. In recent years Mr. Puyere has been noticing more and more in his rural schools a new term the term non-degreed. **Mr. Puyear** stated they have teachers teaching students right now across Montana in classes that are non-degreed, they have not finished their education. The reason they are in those classes in an emergency

status is simply that they have been unable to find certified teachers to fill the positions. **Mr. Puyear** strongly urged the Committee to pass HB 107.

**Larry Nielsen, President, Helena Education Association**, stated he represents 540 members in Helena of which 150 are eligible for retirement. **Mr. Nielsen** state his concern is who will they be able to get to replace these teachers when they retire. **Mr. Nielsen** stated that after speaking with teaching graduates he is informed that they are forced to leave the state because of the accrued debt they have gathered through student loans. **Mr. Nielsen** urged the Committee to support HB 107, and stated it is good for education and good for Montana.

**Jay Erdie, President of School Administrators of Montana and Superintendent of Schools in Roundup**, stated that because teachers could earn more out-of-state, receive bonuses and receive help repaying their loans they were having difficulty recruiting certified teachers for their area. If they would have had the college pay back two or three years earlier **Mr. Erdie** suggested that they would have been able to keep properly endorsed teachers. **Mr. Erdie** requested the Committee to endorse HB 107.

**Dan Geelan, President, Montana Associated Students**, stated Montana Associated Students has the task of representing the 30,000 plus students engaged in the Montana University System. **MR. Geelan** stated that one of the common initiatives is to support loan repayment or loan forgiveness programs. **Mr. Geelan** stated that on behalf of the Montana Associated Students he strongly endorses and supports HB 107.

**Trevor Blyth, President, Associated Students of Montana State University**, stated that in talking with fellow students he is being told that they want to stay in Montana but they cannot afford to because Montana does not pay the market price. **Mr. Blyth** stated that all we have to do is show the graduates that we support them and we care. That is what HB 107 does and that is why he is supporting HB 107.

**Opponents:** None

**Informational Witnesses:** None

**Questions from Committee Members and Responses:****{Tape : 1; Side : B; Approx. Time Counter : 25.2}**

**REP. FRITZ** asked **REP. OLSON** where the bill explicitly excludes students from other states with debts, and is there inference that students all be graduates of Montana Universities? She further asked if that was the intent of the bill to exclude students from other states? **REP. OLSON** stated that was a questions that he could not answer right now.

**REP. RICE-FRITZ** asked if the purpose of this is two fold, is it to serve the schools that have shortages and also to help the students of Montana schools? **REP. OLSON** replied, "Yes".

**REP. RICE-FRITZ** then asked if being on the school board had **REP. OLSON** seen anything happening in a school in terms of the sociology of the school that might be negative in terms of an out-of-state student or teacher not having help with his loans and a teacher of a Montana school getting that help? **REP. OLSON** stated he did not know if he could tell **REP. FRITZ** what other teachers would think coming into the system. **REP. OLSON** stated he could not truly answer that question.

**REP. LAKE** asked **REP. OLSON**, if it is actually legal to discriminate between the education students and the students that have been selected. **REP. LAKE** further asked if this bill only covers a debt up to a total accumulated student loan debt of less than \$12,000? **REP. OLSON** replied that number one, yes the bill is legal. Number two, as for the dollar amounts, we have to have a starting point and we have to have a cap. The \$3,000 per year per student is the cap. If we do not have enough money for that it could be substantially less. For those students who have more than the \$12,000 debt it is only the \$3,000 payment per year for four years.

**{Tape : 2; Side : A; Approx. Time Counter : 0.0}**

**REP. GALVIN-HALCRO** asked **REP. OLSON** about those Montana students who have attended college outside of the State and choose to return to the State, would this bill apply to them in repaying their student loans? **REP. OLSON** referred the questions to **Erik Burke**. **Erik Burke** replied that the goal is to try to keep Montana graduates in the state. For his understanding it would be illegal to discriminate on whether they were from Montana or not. This bill does not specify that you have to be from Montana to receive the student loan assistance. There is a criteria factor in section three that talks about as a criteria the Board

of Public Ed has to look at the number of Montana graduates in a particular area before they designate a shortage area, but there is no requirement that the person be educated in Montana or that they come from Montana.

**REP. GALVIN-HALCRO** asked **Mr. Burke** about those teachers that graduate in an endorsement area that the State of Montana does not offer? **Erik Burke** answered that if it isn't a recognized endorsement area that Montana accepts, then they would accept from out-of-state under the Montana Board of Public Education Rule. Based on the Board's recent action to encompass other states endorsements, he stated almost globally that would apply to those persons coming in.

**REP. GALVIN-HALCRO** referred **Mr. Burke** to page 2, lines 20, 21, & 22 which talks about full time employees and then to line 22 education cooperatives. **REP. GALVIN-HALCRO** stated to my understanding of this section a teacher could be employed part time in one district and part time in another district as a cooperative, and end up with a full time job, would they be covered under this bill? **Erik Burke** replied that was indeed correct.

**REP. GALVIN-HALCRO** referred **Mr. Burke** to page 3, line 7 number 1 which talks about eligibility for repayment assistance must continue for a maximum of four years if the teacher retains the same teaching assignment or another eligible teaching assignment. **REP. GALVIN -HALCRO** asked what happens if because of budget cuts to K-12 education programs are eliminated and through no fault of the teacher they are not able to continue for the maximum four years, or what if they move from one district to another still being in a critical shortage, would that assistance still apply to them? **Erik Burke** replied that if they transfer to another position it would carry over and they would be able to remain eligible. The key to this is to retain employment in Montana in an eligible position. Unfortunately if a teacher loses their position they would not be eligible, the purpose of the bill is to retain teachers in Montana.

**REP. GALVIN-HALCRO** asked **Mr. Burke** if a teacher is hired in a critical shortage area but due to budget cuts to K-12 education this teacher cannot continue in the district so they are dual certified in another endorsement area and they are able to obtain employment in the State of Montana, possibly not in a critical shortage area, would the assistance then continue for them? **Erik Burke** answered that these are complex questions but that eligibility for the repayment assistance must continue for a maximum of four years if the teacher retains the same teaching assignment or another eligible teaching assignment. The purpose



is that if a person is eligible once they want them to keep that eligibility as long as they are teaching in that area. If the Board of Public Education suddenly rules it is no longer a critical shortage area they would not be told that they could not receive the money. The situation was not specifically covered if they went to another district and they taught another assignment. The reason this was not covered was that this was meant to retain the teachers in the critical shortage areas.

**REP. GALVIN-HALCRO** asked **Mr. Burke** how the bill would address the situation of students paying their loan down and continuing to pay their loan down without seeing any relief in their pocket, or if the student were to defer payment until the end of the year and use this loan repayment to payoff their debt for that year, how is this going to be addressed? **Erik Burke** replied that this gets into the mechanics of the federal loan system and individual private lenders and how they will bill these loan programs. **Mr. Burke** stated they have been told that there can be agreements between the loan holders and the students, knowing that there is a payment coming regardless of the timing, would then be able to tell their lender that they were going to be able to make this payment and therefore reduce other payments that they might be making. **Erik Burke** referred to **Arlene Hannawalt** for further answer. **Ms Hannawalt** stated that what they were seeing with the loans they are involved with is that the borrower makes interest only payments or makes no payments and then the loan repayment that comes from this bill goes to the lender once a year. That lender knows that so the loan is put into forbearance which means that no payment is due. A lot of times the borrower will make the interest payments so that the \$3,000 would go totally onto the principal. This is common and lenders are used to dealing with this.

**REP. GALVIN-HALCRO** asked **Mr. Burke** if this bill will help not only new teachers but teachers that having been teaching a few years? **Erik Burke** replied, yes indeed it will. This was one of the amendments which was made through the process the last time this bill was introduced and it was addressed in this bill also.

**REP. GALVIN-HALCRO** asked **Mr. Burke** about those teachers who have taught for ten or fifteen years, they go back to school and incur debt so that they can receive an endorsement, such as special education, will this bill help them as well? **Erik Burke** answered that this bill will help them as well if that person incurs debt obtaining the certification that there is a shortage in.

**REP. BALLANTYNE** asked **Mr. Burke** if HB 107 would discriminate against a student who entered college in Montana, decided they were going to teach in public school, then found they had an

opportunity to teach in a private school, would they still have the opportunity to participate in this program especially if they were being paid through a public schools budget? **Erik Burke** stated that the bill is specifically written for those employees of public school districts in the State of Montana. Therefore, there could be a possible scenario where that could apply but he cannot think of one right now.

**REP. LEHMAN** asked **REP. OLSON** about new section four, part B line 25. **REP. LEHMAN** asked does in fact the teacher have to be teaching in the critical shortage area full time, would that teacher have to be an FTE or could in fact, if the critical shortage area is Art teach one or two classes of Art and then perhaps teach in grade 6 for the remainder of day? **REP. OLSON** referred to **Mr. Burke**. **Mr. Burke** stated that this is where they get into teacher cooperatives. A person does not have to teach full time in the critical teacher shortage area, but they do have to be a full time employee of the district or cooperative.

**REP. LEHMAN** further asked if it was conceivable that a teacher could acquire the \$3,000 per year loan payoff without teaching full time in a critical shortage area. **Mr. Burke**, replied "Yes".

**REP. LEHMAN** asked **Mr. Burke** if the Board of Public Education under this proposal was going to create or a maintain a list of geographic regions within the state that are experiencing critical teacher shortages? He further asked, if the preference is going to be placed on the geographic location or are they going to rank the types of teachers of which there is a critical shortage such as art over music, music over science, or are there any guidelines at this point? **Erik Burke** replied that they wrote the bill to be flexible for that very purpose. From year to year and as circumstances change they know that the shortage situation may become different. Right now they know that the rural areas are experiencing the greatest shortages, and they do not expect that to change alot. Certainly the certification areas could change, the geographical regions could change and enrollment could change. The bill was intended to give the Board the maximum flexibility to drive the funding where it is needed most. That is why it is written in that way. In terms of the actual funding preference and how that is allocated the Board is essentially assigned with two tasks, the first to create a list of shortage certificate areas or endorsement areas, those will receive the priority for the years that the Board is assigned that. Then it goes down another level and those critical regions that the Board has designated will receive the funding preferences. Teachers teaching in specific regions will get the preference for funding and then whatever the certificate areas the Board has designated the teachers would have to be in those

areas. That is basically how it works. The Board has two tasks, the preference goes to those in the most isolated regions.

**REP. WAGMAN** asked **Mr. Burke** if a student has a debt of less than \$12,000, are you assuming that student comes from a wealthier family or why not assume that the student was more frugal or worked harder or worked two jobs and why not give him or her the same that you would give a student that had \$20,000 in debt? **Mr. Burke** answered that is a good question and one that was asked last session as well. The way the bill was presented was to address the problem that students were having with their loan debt and staying in Montana. If you would like to expand it to payments above and beyond what students owe in loan debt they have no problem with that. **Mr. Burke** stated it was a good question and they would like to keep as many people in the state as possible.

**REP. WAGMAN** asked would the bill reimburse students with less than \$12,000 in debt. **Mr. Burke** replied that over the four years the students would receive one quarter of the accumulated debt per year.

**REP. GIBSON** asked **REP. OLSON** how the Board would set a preference when there is a shortage in a large school with numerous students being impacted and a small school with fewer students being impacted as well as graduates that are being impacted? **REP. OLSON** replied that if a larger school district was determined to be a critical need district that district could use the program. If the smaller school district was deemed critical they could use the program. Neither district could use the program if they were not deemed critical.

**REP. GIBSON** asked **REP. OLSON** what kind of a criteria the Board would use, would they use the number of students impacted? **REP. OLSON** replied that HB 107 leaves leeway with guidance to come up with a program that would be beneficial to the state and to educators that need help with loan repayment.

**Closing by Sponsor:**

**{Tape : 2; Side : A; Approx. Time Counter : 25.4}**

**REP. OLSON** stated as previously noted this bill came out of committee quite easily. This is basically the same bill, except there is not a built in appropriation. **REP. OLSON** further stated that there is a fiscal note which has been delivered to the committee, however, he did not sign it. He went on to discuss the fiscal note. **REP. OLSON** further stated that the Montana Guaranteed Student Loan Program is determined that the cost

associated with administering the loan repayments authorized by this bill can be absorbed by existing staff, at no cost. The Office of Public Instruction and the Board of Public Ed have indicated that the responsibilities assigned by this bill should be implemented with existing resources, at no cost. OPI will do surveys each year to identify critical teacher shortage areas. School districts will do annual reporting each year as to their status.

{Tape : 2; Side B : Approx. Time Counter : 0}

### HEARING ON HB 23

#### Opening Statement by Sponsor:

**REP. GARY MATTHEWS, HD 4, MILES CITY** said that HB 23 allows community colleges to use three year averages when calculating enrollment figures in determining how much money they need to return to the state. In 2001 HB 505 was passed and is now the statute being looked at. What this bill does is include the community colleges. There are three community colleges in the State of Montana. Flathead Community College, Miles Community College and Dawson Community College. **REP. MATTHEWS** stated that this was a good bill passed last session but the community colleges were not included. This bill would simply allow the community colleges to better manage there projections.

#### Proponents' Testimony:

{Tape : 2; Side : B; Approx. Time Counter : 7.6}

**Stuart Doggett, Lobbyist for the Flathead Valley, Miles City and Dawson Community Colleges**, said that these three colleges are providing a need in providing educational opportunities for students of all ages in their surrounding areas across the state. He further stated that this is a good government bill.

**Erik Burke** stated he stands in support of this bill on behalf of MEA/MFT and especially the members at Dawson Community College and Flathead Valley Community College. The bills keeps consistency throughout the funding model for the university system. He further stated this is the year to do it as there is no fiscal impact.

**Dick Croft, Commissioner of Higher Education** stated that this is something that was done for the university system last legislature and he feels that in fairness this policy should be expanded to the community colleges.

Opponents' Testimony: None

Informational Witnesses: None

Questions from Committee Members and Responses:

{Tape : 2; Side : B; Approx. Time Counter 8.6}

REP. LAWSON asked Commissioner Croft if there would be an effective date on the bill or a time frame as there is none? Commissioner Croft stated, "No." The question was referred to Eddy McClure. Eddy McClure stated that without an effective date on the bill the effective date was automatically October 1.

REP. LAWSON further asked, "Did that create some problems for the university system by having gone into effect on October 1 rather than July 1 or immediately? By putting this off until October is this keeping it from going into effect for a year?" Commissioner Croft stated the effective date did not have any impact on the University System. The reversion will not come at any rate until the conclusion of the biennium, that is well beyond the October 1 effective date. He further stated that no reversions would come into effect until 2005.

Closing by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 12.0}

REPRESENTATIVE MATTHEWS stated he would like time to check with the fiscal division to check on effective date possibilities and if there is a problem he would hope the Committee would accept an Amendment to get an earlier effective date.

#### HEARING ON HB 24

Sponsor: REP. GARY BRANAE, HD 17, BILLINGS

Opening Statement by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 12.7}

REP. GARY BRANAE, HD 17, BILLINGS said he is carrying the bill at the request of the Interim Education and Local Government Committee. It was determined at the end of last session that it would be a good idea to find a way that the relationship between the Legislature and the Board of Regents could be improved. At that time a subcommittee called Post Secondary Educational Policy Subcommittee (Subcommittee) was formed. The makeup of the

committee was four members from the Local Government and Education and Interim Committee (Committee), two members from the Senate Finance Committee, two members from the Board of Regents and one from the Governor's Office. The Committee met about five times. The general goal of the Subcommittee was to work on improving the relationship between the two entities. The starting point was to determine some policy goals. From their work six goals were developed. They then determined some accountability measures. The University System will provide reports to the Legislature and other policy makers and the public. They found that the process was effective. It was determined that the process should continue and should not just be a one time thing. The Subcommittee then recommended the forming of a Statutory Committee on Post Secondary Education and Policy and Budget. The Interim Education and Local Government Committee, where it was, met with hesitancy, they felt that they were establishing another permanent committee at a time when we are trying to reduce the number of committees that are in existence. There was no quarrel with the reason for the committee but there was question as to whether or not another permanent stand alone committee should be created. The Interim Education and Local Government Committee felt that the way to address this problem was to create a permanent subcommittee within the Interim Education and Local Government Committee which is the result of the present legislation. The committee would include two Senators from the Senate Finance Committee, one Senator and one Representative appointed by the Educational Local Government Interim Committee, two members of House Appropriations, two Regents and one Representative of the Governor's Office. There was a proposal by some students that there should be student representative on the Committee as well and there will be an Amendment that would increase the membership of the committee to include a student representative as well. See attached Exhibit 9. The Amendment was requested by **SEN. DON RYAN**.

**EXHIBIT (edh03a09)****Proponent's Testimony:****{Tape : 2; Side : B; Approx. Time Counter : 21.1}**

**Richard Roehm, Chair of the Board of Regents** stated that the Board of Regents are proponents of the dialogue. **Mr. Roehm** stated that he had been asked about the animosity between the Legislature and the Board of Regents. He stated that he used the Post Secondary Education Subcommittee and the work done as a step toward gaining a shared partnering in the University System by all legislators and the people of Montana. The Board of Regents

is in support of the bill, but not sure about the Amendment as there may be alternate ways of getting a student representative rather than the Student Regent. He stated they would encourage a collaborative approach to post secondary education and a shared sense of interest and ownership in Montana's colleges and universities.

**Dick Croft, Commissioner on Higher Education** stated that the committee has existed in one way or another for a decade or more. **Mr. Croft** stated he had been involved in the Committee for five interims beginning in 1994 and wants to stress the importance of making this committee permanent. Making the committee permanent will send a clear signal that this kind of collaboration is important and should be put in permanent statutory reference.

**Sarah Cobler, Associated Students of the University of Montana** see attached.

**EXHIBIT** (edh03a10).

**Will Hammerquist, Associated Students of Montana State University Bozeman**, stated that any dialogue between the Board of Regents, the Commissioners Office and the Legislature is beneficial to students and higher education in Montana. He stated that a student representative on the board would add to the dialogue.

**Opponents' Testimony:** None

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

**REP. LAWSON** asked **REP. BRANAE** if the Amendment changed the committee membership from 9 members to 10? **REP. BRANAE** replied that this change in membership would not be a problem.

**REP. GIBSON** asked **REP. BRANAE** about the two year term for appointment, are all members going to turn over at the same time or is there going to be some continuity? **REP. BRANAE** stated that there would be a lot of movement because some of the people will be leaving office at different times, he stated he does not think that this is a concern at this time.

**REP. WAGMAN** asked **REP. BRANAE** if this bill does not pass is there a process in place for the Subcommittee to continue as it is?

**REP. BRANAE** replied that he does not know if there is a process in place for the committee to continue but that does not say that it would not. He further stated that the hope is to make this a permanent process.

**REP. WAGMAN** further asked **REP. BRANAE** why there is no fiscal note with this bill. **REP. BRANAE** replied that there is an appropriation within the bill which would not require a fiscal note.

**REP. ANDERSEN** asked **REP. BRANAE** about page 4, line 24 of the bill. if this in anyway in conflicted with Title 20, Section 25, paragraph 301 (a). She asked further if they are in any way trying to manage a little bit how the money is spent. **REP. BRANAE** replied that their intention was simply to have dialogue between the two. **REP. BRANAE** referred further comment to **Eddye McClure**. **Eddye McClure** stated that under the Constitution the Legislature has the responsibility to strictly account for all revenues and expenditures. She further stated that you can ask the Board of Regents how much money they get and what they spend it on you just cannot tell them how to spend it.

**REP. LAKE** asked **REP. BRANAE** if there is any reason why making this legal by legislation is going to produce any different results? **REP. BRANAE** replied that simply with the fact that it is permanent it would be meeting each year. In the past there have been years when these issues were not addressed. The purpose of the bill is to form a permanent committee so that this process can continue on.

**REP. ANDERSEN** asked **REP. BRANAE** if it wasn't true that the makeup of this committee is a little different than what has been done in the past. **REP. BRANAE** responded that the makeup is different simply to get the dialogue from all of the parties that need to be involved.

**Closing by Sponsor:**

**{Tape : 3; Side : A; Approx. Counter Time : 7.2}**

**REP. BRANAE** stated that the passage of this bill would be a good step in the right direction to improve the relationships that exists between the University System and the Legislature. Having dialogue going on between the two bodies would have a positive effect.



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**HEARING ON HB 60**

**Sponsor:**           **REP. JOE MCKENNEY**

**Opening Statement by Sponsor:**

**{Tape : 3; Side : A; Approx. Counter Time : 0}**

**REP. JOE MCKENNEY, HD 49, GREAT FALLS** said he is carrying the bill on behalf of the Board of Public Education and the Montana School for the Deaf and Blind. The bill is an Act Prohibiting the Governor from directing a reduction in spending for the Montana School for the Deaf and Blind in the event of a projected general fund deficit like last summer. The bill amends Section 17-7-140 Montana Code. **REP. MCKENNEY** referred to the bill on page 2, line 19, indicating this is the new law adding the Montana School for the Deaf and Blind to the exceptions. The School for the Deaf and Blind is a special school and is a state school funded almost entirely by the general fund dollars. **REP. MCKENNEY** asked that the Montana School for the Deaf and Blind be given the same funding consideration that is given to the K-12 system in times of budget reductions.

**Proponent's Testimony:**

**{Tape : 3; Side : A, Approx. Counter Time : 11.4}**

**Steve Gettel, Superintendent of the Montana School for the Deaf and Blind in Great Falls**, stated that they are bringing this bill for consideration because their school serves a unique population. The budget is more than 90 percent general fund dollars. When there is a situation like last summer the school is put in the bullseye for having reductions from their schools budget. **Mr. Gettel** talked about the students that his school serves and the need for their school to be there to serve these sensory impaired children.

**Jeff Weldon, Legal Counsel for the State Superintendent** here on the Superintendent's behalf, stated the Superintendent does not have authority over the State School for the Deaf and Blind, it is under the authority of the Board of Education. He further stated this is a unique school, it is in fact a public school but it is different from the local schools as it is treated different under the law. This bill would protect the School for the Deaf and Blind.

**Bill Seitz, Business Manager for the Deaf and Blind**, stated he would be happy to answer any fiscal questions the committee might have.

**Erik Burke, MEA/MFT**, stated that they stand in support of this bill.

**Bob Vogel, Montana School Board Association**, stated they rise in support of this bill. He stated it is a question of equity.

**Rhonda Carpenter, representing the Great Falls Area Chamber of Commerce**, stated that they recognize the asset the Montana School for the Deaf and Blind is to the entire state. She stated this school needs to be protected from budget cuts.

**Opponent's Testimony:** None

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

**REP. LEHMAN**, asked **Dr. Gettel** if he was suggesting that had the child which moved to the School for the Deaf and Blind had stayed in the school at his home that school would have received the ANB for the Student. **Dr. Gettel** replied that was correct.

**REP. LEHMAN** further asked **Dr. Gettel** if the child transfers to the School for the Deaf and Blind does the home school still received the ANB? **Dr. Gettel** replied that the home school cannot count that child if they are not in attendance.

**REP. GALVIN-HALCCRO** asked **Mr. Gettel** how the cuts from the Special Session could have impacted the Montana School for the Deaf and Blind? **Superintendent Gettel** replied he could not be specific. He stated they were looking at 4 percent cuts when they went into the Special Session they ended up with a reduction of 1 percent. The public schools out of the Special Session ended up with a reduction of less than 1 percent. If they had just considered reductions and nothing more than what had occurred with the Governor's Office under 17-7-140 they probably would have been looking at a reduction of \$150,000. In their school they have a large operating budget but it is for lights, food, heat, they have kids that live at the school. The personal services are that they open the same amount of time as the other schools. With a reduction of \$150,000 they would have been having to reduce their staff. It is important to preserve this program as the kids come to them as there is no other education option for them.

**REP. GALVIN-HALCRO**, further asked **Mr. Gettel** how old the text books at MSDD were? **Mr. Gettel** replied that their science and social studies texts are within five years. However, the math texts are 15 years old because of the randomness of more up to date math books, however they are at the point where they cannot get them in a series anymore as the books are out of print, therefore, they are in a situation where they must purchase new books. Any reduction of funds cuts into their ability to purchase the materials and supplies that are used in the classrooms.

**Closing by Sponsor:**

**{Tape ; 3; Side : A; Approx. Time Counter : 25.1}**

**REP. MCKENNEY** stated that the School for the Deaf and Blind serves children that have very special needs. He further stated that they are not saying that there may not be a time in budget crisis where the school has to look at it's budget and make surgical cuts. That decision should be made by the Legislature in going through extensive hearings. **REP. MCKENNEY** stated the need to take this school out of the Budget Office and put it on the list of exceptions.

**ADJOURNMENT**

Adjournment: 5:20 P.M.

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REP. JOAN ANDERSEN, Chairman

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MARI PREWETT, Secretary

JA/MP